UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, DC

Served: May 13, 1996

Japan Charter Authorizations 1996/1997 (October 1, 1996 - September 30, 1997)

CORRECTED NOTICE*

By Orders 92-6-32 and 92-9-21, we established new procedures to simplify the distribution of the 400-450 annual one-way charters (hereinafter we refer to "one-way charters" simply as "charters") available to U.S. carriers for operation in the U.S.-Japan market. Specifically, we replaced our year-to-year comparative allocation proceedings with streamlined advance allotment/charter pool procedures. Under these procedures a portion of the available charters are allotted in advance to carriers that have operated an average of at least 20 charters over the previous two years. The balance is maintained in a charter pool for distribution on a first-come, first-served basis. Only 300 of these flights may serve Tokyo or Osaka. We stated that advance allotments would be issued six months before the beginning of the charter year to qualifying carriers for the upcoming charter year.

For the 1996/1997 charter year, we believe at this time that 400 charters will be available to U.S. carriers for U.S.-Japan service. Based on the attached summary of carrier operations in the U.S.-Japan market, and in accordance with the procedures established in Orders 92-6-32 and 92-9-21, we issue advance allotments to the following carriers for charter operations for the 1996/1997 charter year (October 1, 1996 - September 30, 1997): Continental Micronesia - 202 and Federal Express - 36.

^{*} Corrects Notice on Japan Charter Authorizations served May 6, 1996, to reflect the deletion of Evergreen International Airlines as a carrier receiving an advance allocation. Evergreen was inadvertently included on the list for advance allocations. However, Evergreen did not operate an average of 20 charters over the previous two years and, thus, does not qualify for an advance allotment.

¹ The Interim Aviation Agreement between the United States and Japan dated September 7, 1982, permits U.S. carriers to operate 300 charters each year between any U.S. and any Japanese cities. A subsequent Memorandum of Understanding (MOU), dated November 6, 1989, provides that U.S. carriers may operate 100 additional charters and also up to 50 more charters if Japanese carriers have operated fewer than 200 in the prior charter year. For every flight below 200 operated by Japanese carriers in the preceding charter year, U.S. carriers may operate an additional flight, up to a maximum of 50 flights. The Japanese Government has agreed to notify the U.S. in a timely manner of the number of such charters that would be available to U.S. carriers for the next charter year.

The remaining 162 flights are reserved in a charter pool for distribution on a first-come, first-served basis.

As discussed in Order 92-9-21, we require carriers issued advance allotments to advise the U.S. Air Carrier Licensing Division (X-44), Office of International Aviation, by letter no later than 14 days after the service date of this notice as to what portion of their

advance allotment they intend to operate, together with an estimate of the number of charters to be used for Tokyo/Osaka service.

The advance allotments issued by this notice and flights operated from the charter pool for operations in the 1996/1997 charter year are subject to the conditions and procedures established for such flights in ordering paragraphs 4 through 8 of Order 92-9-21. Carriers operating flights from the charter pool should identify the date of the Notice of Consistency under which those flights were approved.

By:

CHARLES A. HUNNICUTT Assistant Secretary for Aviation and International Affairs

(SEAL)

Dated: May 13, 1996

Attachment

U.S.-JAPAN CHARTER OPERATIONS

1994

1995

	<u>Apr</u>	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Continental Micronesia Federal Express	4* 1	15* 3	12* 5	0 2	14* 2	10 4	0 2	0 2	9* 1	32* 3	47* 1	19* 2	162 28
					1995			1996					
	<u>Apr</u>	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Continental Micronesia	14*	13*	12*	7*	44*	22*	12	10	13	39	28 12*	15*	241
Federal Express	3	3	5	1	0 2*	0 2*	5	9	2	4	3	1 3*	43

^{*}Flights obtained from the charter pool

Two Year Average

	<u>1994/1995</u>	<u>1995/1996</u>	<u>Average</u>	Rounded to Next Even Number ²
Continental Micronesia	162	241	201.5	202
Federal Express	28	43	35.5	36

² Our procedures provide that the average number will be rounded to the next even number. <u>See</u> Order 92-6-32 at page 4.